



**Integrated Rural
Development through
ASM
South African case Study**

For
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Salvador de Bahia, Brazil**

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Outlook

- IRD in South African Context
- IRD Historical context
- IRD - Local government
- ASM RSA context
- ASM exploited mineral commodities
- IRD and ASM Challenges
- Government legislation
- Support services
- IRD and Sustainable Development Indicators
- Regional co operation



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Understanding IRD

- Concentration of closely linked developmental projects aimed at Community up-liftment.
- Attains social cohesion and stable rural communities with institutions, sustainable economies and social services.
- Draws government and donor resources

Understanding IRD

- Achieved through Integrated Development Planing (IDP)
 - Projects (ASM), spatial development framework, disaster management plan, Integrated financial plan, KPI
- Prioritise local need considering local resources

IRD - Historical Context

- Migratory labour
 - Demand for workers, many not participating in the local economy (ASM, farming). Mines expanding. No need to focus on ASM
- Mining industry shrinking
 - Expatriate miners to rural areas.
- Mechanisation (global competitiveness)
 - Skilled job requirements
- Growth of ASM



IRD - Local governments

- Local Economic Development Plan (LEDP)
- Social and economic development mandate of local government constitutionally
- LED fund available for job creation, SMME support and strategic planning
- Social plan fund aimed at local job creation
 - Agriculture and tourism sector
 - manufacturing and small scale mining



IRD - NCMSD

- Vehicle comprising municipalities (SALGA), Government dept., State owned enterprises, NGOs and private sector to facilitate local development by capacitating municipalities.
 - Leverage resources
 - Promote co-ordinated approach to local government
 - Optimise national - provincial government linkages with municipalities.
 - Accelerate poverty reduction programmes



ASM RSA context

- Artisanal mining
 - small scale-mining involving the extraction of minerals with the simplest of tools, on a subsistence level
- Small-scale
 - ranges from very very small operations that provide subsistence living to “junior” companies primary driven by revenue



IRD and ASM background

- Evolution of the present gold and diamond industry
- Sector unnoticed for most of the 20th century
- Majority of South Africans excluded by statutory and institutional measures from mining until 1994.
- Industry scepticism about usefulness & viability still exists, hence insufficient support provided
- Source of income owing to unemployment, poor economic prospects in rural areas

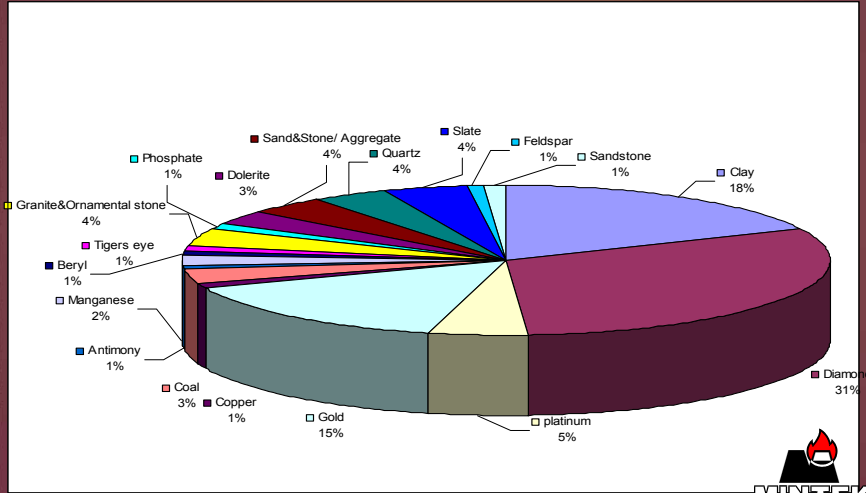


IRD - Nature of mineral Commodities

- Low-volume high-value products, no elaborate processing to produce saleable product.
- Shallow deposits, soft ground, no blasting required
- Easily recognisable
- Hence ASM dominated by alluvial diamonds and gold.
- Others include gemstone, clay (brick making) and aggregate quarries.



ASM - Exploited Mineral Commodities



ASM Challenges

- lack of co ordination
 - Sharing technology and resources
 - ☎ Addressed through optimised ISRDP, NCMSD
- Low capacity for delivery
 - no economies of scale
 - ☎ Exploring and develop resources (DME support)
- Low compliance to legislation
 - SHEQ, tax issues
 - ☎ DME monitoring capacity



ASM Financing

- Banking sector shy away from ASM
 - High risk
 - Intermittent
 - Lack of collateral
- ☎ Government grants /loan schemes
 - Funding technical expertise
 - training



ASM Marketing

- Lack of finance to fund marketing, research, product development
- Lower end ASM curve search for market
- Precious stones to metals market looks for ASM
- ☎ Sustainable development (lower end) through ASM trading with 1st economies.



Government Legislation

Mineral and Petroleum Resources Development Act no 28 of 2002

State sovereignty over mineral resources

BEE

Provision for security of tenure

Active vs. passive rights, mortgage

Sustainable development

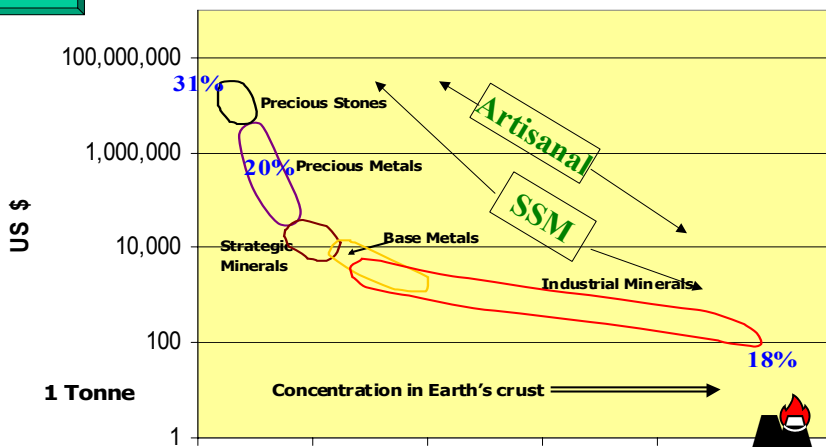
Economic growth, environmental management, social responsibility

Administrative justice

First-come first-served, lawful, reasonable, procedurally fair, information availability

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Global schematic of Value vs Concentration



Government Policy

- Recognise past injustices
- Right to property
- Right to information
- Right to good governance
- Integrated Development Plans/Programme



IRD - Sustainable development indicators

- Measure of operational reform offering new approaches to managing and organising human activities on this basis of:
 - Ecology - manage and optimise nature's capital without squandering it.
 - Economic - development to consider long term ecological balance supporting human and natural life
 - Socio-political- participative democratic process



- ## Regional Co operation
- Sustainable development depends on sustainable reconstruction and development in Southern Africa
 - Region has vast mineral potential to host regional economic development.
 - MINTEK implementation of bilateral relations DRC, Mali, Ghana, etc
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- MINTEK**

Thank you



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Specialists in mineral and
metallurgical technology

Interwoven